

AMENDED IN ASSEMBLY AUGUST 25, 2003

AMENDED IN SENATE APRIL 22, 2003

SENATE BILL

No. 926

Introduced by Senator Knight

(Principal coauthor: Assembly Member Parra)

February 21, 2003

~~An act to amend Sections 15325, 15329, 15346.4, 15346.8, and 65040.9 of, to amend the heading of Article 3.9 (commencing with Section 15348) of Chapter 1 of Part 6.7 of Division 3 of Title 2 of, and to amend and renumber Sections 15333.6, 15333.7, and 15333.8 of, the Government Code, An act to add and repeal Chapter 4 (commencing with Section 13998) of Part 4.7 of Division 3 of Title 2 of the Government Code, and to repeal Part 14 (commencing with Section 37980) of Division 24 of the Health and Safety Code, relating to technology development, making an appropriation therefor, and declaring the urgency thereof, to take effect immediately.~~

LEGISLATIVE COUNSEL'S DIGEST

SB 926, as amended, Knight. Technology development.

(1) Existing law establishes the California Defense Retention and Conversion Council in the Technology, Trade, and Commerce Agency with specified members and duties related to defense retention and conversion and military base reuse activities in the state. The council is authorized to apply for grants and seek contributions from private industry to fund its operations and is required to actively solicit private funds for specified purposes.

Existing law also establishes in the agency the Office of Military Base Retention, which is required to provide staff support to the council.

This bill would change the name of the Office of Military Base Retention to the Office of Military Support *and transfer this office and the California Defense Retention and Conversion Council to the Business, Transportation and Housing Agency. It would authorize the Business, Transportation and Housing Agency to enter into an interagency agreement with any other state agency as deemed necessary to administer these programs.* ~~This~~

This bill also would authorize the office, rather than in addition to the council, to seek private funds for the operations of the office and the council. The bill would establish the Military Support Account in the Special Deposit Fund in the State Treasury and require that any private funds the council or the office accepts be deposited in that account. The bill would authorize, upon the approval of the secretary of the agency, the office to expend moneys in the account, which would be continuously appropriated to the office, without regard to fiscal years, for specified purposes of the office and the council, thereby making an appropriation.

~~(2) Existing law requires, subject to the appropriation of funds for this purpose, the Technology, Trade, and Commerce Agency to implement a space industry development program. The agency is required to contract with a nonprofit corporation to assist in its administration of these activities, according to specified criteria, as well as serve as the California Spaceport Authority. The corporation is required to issue solicitations for the existing California Space Industry Competitive Grant Program and evaluate grant proposals with the assistance of an impartial review panel to be established by the corporation, according to specified criteria. The Secretary of Technology, Trade, and Commerce is required to award grants based upon these criteria.~~

~~Existing law also establishes the California Space Industry Advisory Committee within the agency, to be composed of a specified membership, to provide input and recommendations on the competitive grant program and on space industry issues.~~

~~This bill would refer to the above-described programs and committee as the space enterprise development program, the California Space Enterprise Competitive Grant Program, and the California Space~~

~~Enterprise Advisory Committee, and make conforming and other technical changes.~~

(2) *The Budget Act of 2003 appropriates \$180,000 to the Department of Housing and Community Development for military base reuse and retention.*

This bill would provide instead that this sum be appropriated to the Business, Transportation and Housing Agency for this purpose.

This bill would declare that it is to take effect immediately as an urgency statute.

Vote: ²/₃. Appropriation: yes. Fiscal committee: yes. State-mandated local program: no.

The people of the State of California do enact as follows:

~~SECTION 1. Section 15325 of the Government Code is~~

SECTION 1. Chapter 4 (commencing with Section 13998) is added to Part 4.7 of Division 3 of Title 2 of the Government Code, to read:

CHAPTER 4. CALIFORNIA DEFENSE RETENTION AND CONVERSION

13998. This chapter shall be known and may be cited as the California Defense Retention and Conversion Act.

13998.1. The Legislature finds and declares as follows:

(a) For over half a century, California's industries, universities, businesses, and workers have contributed to our nation's defense, utilizing their capital, talents, and skills to develop and bring to production important new technologies and advanced weapons systems, aircraft, and missiles.

(b) Defense spending in California peaked at sixty billion dollars (\$60,000,000,000) in 1988. Since then, it has decreased by 16 percent with the resulting loss of 126,000 jobs. The Commission on State Finance projected a further 22 percent reduction to thirty-seven billion dollars (\$37,000,000,000) in 1997, with a loss of another 81,000 jobs. California is expected to experience the most severe impact of defense cuts since 1994.

(c) California has experienced four rounds of base closures resulting in the closure or realignment of 29 bases since 1988. Additional bases may be considered for closure in future closure rounds.

1 (d) California lost more federal payroll jobs from its 29 military
2 base closures under rounds one to four, inclusive, than all of the
3 rest of the states put together. The reduced military payroll,
4 including military and civilian employees, in California is
5 approximately 101,000 jobs. About 300,000 private sector defense
6 industry jobs in California have been lost.

7 (e) California needs a focused, coordinated defense retention
8 and conversion program within the state in order to protect the
9 existing defense installations and facilities within the state and to
10 assist those communities that have experienced an installation's
11 closing.

12 (f) Currently, there are over 300,000 active duty and civilian
13 defense personnel in California.

14 (g) The direct Department of Defense expenditures in
15 California are over thirty billion dollars (\$30,000,000,000) for
16 employees, contracts, and capital investment.

17 (h) California has over 36 major and 25 minor active military
18 installations.

19 (i) The Department of Defense pays ten million dollars
20 (\$10,000,000) annually in fees, permits, and licenses within the
21 state.

22 (j) Having been the leader in the nation's defense effort, the
23 state must now also assume the role as leader in defending existing
24 military installations within its borders. That role will require a
25 coordinated effort to ensure that California promotes the necessity
26 of existing defense facilities, assist local governments and
27 organizations in planning retention efforts, and design and
28 implement a single unified plan for active defense retention efforts
29 on the federal level.

30 (k) It is the intent of the Legislature that the state's role in
31 defense retention, conversion, and military support be
32 consolidated in the Business, Transportation and Housing Agency.

33 13998.2. The Legislature recognizes the potential for federal
34 legislation to close additional military installations nationwide. In
35 an effort to be proactive in retaining these facilities within
36 California that are necessary for the defense of the nation and to
37 provide for a single, focused defense of these installations, the
38 California Defense Retention and Conversion Council is hereby
39 created in the Business, Transportation and Housing Agency.

1 13998.3. *The California Defense Retention and Conversion*
2 *Council shall consist of the following members, who shall be*
3 *appointed as follows:*

4 (a) *The Governor shall have 11 appointees, who may include,*
5 *but are not limited to, the following:*

6 (1) *The Secretary of Business, Transportation and Housing, or*
7 *his or her designee.*

8 (2) *The Secretary of Environmental Protection, or his or her*
9 *designee.*

10 (3) *The Director of Employment Development, or his or her*
11 *designee.*

12 (4) *The Director of Planning and Research, or his or her*
13 *designee.*

14 (5) *The Director of the Energy Resources, Conservation and*
15 *Development Commission, or his or her designee.*

16 (6) *The Director of Transportation, or his or her designee.*

17 (7) *The Director of the Employment Training Panel, or his or*
18 *her designee.*

19 (8) *The Secretary of Resources, or his or her designee.*

20 (9) *A member who is an elected public official from local*
21 *government representing a community with an active defense*
22 *installation.*

23 (10) *A member who is an elected public official from local*
24 *government representing a community with a closed defense*
25 *installation.*

26 (11) *A public member selected at large.*

27 (b) *The Speaker of the Assembly shall have two appointees who*
28 *may include, but are not limited to, members representing labor,*
29 *business, or local government.*

30 (c) *The Senate Committee on Rules shall have two appointees*
31 *who may include, but are not limited to, members representing*
32 *labor, business, or local government.*

33 (d) *Nonvoting members, to consist of all of the following:*

34 (1) *At his or her option, the President of the University of*
35 *California, or his or her designee.*

36 (2) *The Chancellor of the California State University, or his or*
37 *her designee.*

38 (3) *The Chancellor of the California Community Colleges, or*
39 *his or her designee.*

40 (4) *The Speaker of the Assembly, or his or her designee.*

1 (5) *The President pro Tempore of the Senate, or his or her*
2 *designee.*

3 (6) *At the request of the Governor, a flag officer, or his or her*
4 *designee, from each branch of the United States Armed Forces*
5 *representing a mission or installation in California to serve as a*
6 *liaison to the council.*

7 13998.4. (a) *The Secretary of Business, Transportation and*
8 *Housing shall serve as chairperson of the council.*

9 (b) *The Office of Military Support shall provide staff support to*
10 *the council.*

11 (c) *It shall be the purpose of the council to provide a central*
12 *clearinghouse for all defense retention, conversion, and base reuse*
13 *activities in the state.*

14 13998.5. *The council shall do all of the following:*

15 (a) *Develop and recommend to the Governor and the*
16 *Legislature a strategic plan for state and local defense retention*
17 *and conversion efforts. The plan shall address the state's role in*
18 *assisting communities with potential base closures and those*
19 *impacted by previous closures. The council may coordinate with*
20 *other state agencies, local groups, and interested organizations on*
21 *this strategic plan to retain current Department of Defense*
22 *installations, facilities, bases, and related civilian activities. The*
23 *opportunity shall be provided for public review and comments on*
24 *the strategic plan prior to submission to the Governor and the*
25 *Legislature.*

26 (b) *Conduct outreach to entities and parties involved in defense*
27 *retention and conversion across the state and provide a network to*
28 *facilitate assistance and coordination for all defense retention and*
29 *conversion activities within the state.*

30 (c) *Help develop and coordinate state retention advocacy*
31 *efforts on the federal level.*

32 (d) (1) *Conduct an evaluation of existing state retention and*
33 *conversion programs and provide the Legislature*
34 *recommendations on the continuation of existing programs,*
35 *including, but not limited to, the possible elimination or alteration*
36 *of those programs. This evaluation shall be transmitted to the*
37 *Legislature.*

38 (2) *The council may provide recommendations to the*
39 *Legislature on the necessity of new programs for defense retention*
40 *and adequate funding levels.*

1 (e) Utilize and update the plan prepared by the Defense
2 Conversion Council as it existed on December 31, 1998, to
3 minimize California's loss of bases and jobs in future rounds of
4 base closures. This plan shall include, but not be limited to, all of
5 the following:

6 (1) Identification of major installations in California.

7 (2) Determination of how best to defend existing bases and
8 base employment in this state.

9 (3) Coordination with communities that may face base
10 closures.

11 (4) Development of data and analyses on bases in this state.

12 (5) Coordination with the congressional delegation, the
13 Legislature, and the Governor. With the consent of the appropriate
14 authority, the council may temporarily borrow technical, policy,
15 and administrative staff from other state agencies, including the
16 Legislature.

17 (f) Where funds and resources are available, the council may
18 undertake all of the following activities:

19 (1) Provide a central clearinghouse for all base retention or
20 conversion assistance activities, including, but not limited to,
21 employee training programs and regulation review and permit
22 streamlining.

23 (2) Provide technical assistance to communities with potential
24 or existing base closure activities.

25 (3) Provide a central clearinghouse for all defense retention
26 and conversion funding, regulations, and application procedures
27 for federal or state grants.

28 (4) Serve as a central clearinghouse for input and information,
29 including needs, issues, and recommendations from businesses,
30 industry representatives, labor, local government, and
31 communities relative to retention and conversion efforts.

32 (5) Identify available state and federal resources to assist
33 businesses, workers, communities, and educational institutions
34 that may have a stake in retention and conversion activities.

35 (6) Provide one-stop coordination, maintain and disseminate
36 information, standardize state endorsement procedures, and
37 develop fast-track review procedures for proposals seeking state
38 funds to match federal defense conversion funding programs.

39 (7) Maintain and establish data bases in such fields as
40 defense-related companies, industry organization proposals for

1 *the state and federal defense industry, community assistance,*
2 *training, and base retention, and provide electronic access to the*
3 *data bases.*

4 *13998.6. (a) The council shall meet at the times and in places*
5 *it deems necessary, but no less than once a quarter. Whenever*
6 *possible, meetings shall be held in Sacramento in state facilities.*

7 *(b) Under no circumstances shall the council permit absentee*
8 *or proxy voting at any of its proceedings. However, a vote by a*
9 *designee, as provided in paragraphs (1) to (8), inclusive, of*
10 *subdivision (a), and paragraphs (1) to (5), inclusive, of*
11 *subdivision (d), of Section 13998.3, shall not be construed to be an*
12 *absentee or proxy vote under this subdivision.*

13 *(c) Council members may receive reimbursement for travel*
14 *costs directly related to council attendance if funding is available.*

15 *(d) The council and the Office of Military Support shall apply*
16 *for grants and may seek contributions from private industry to fund*
17 *its operations.*

18 *(e) The council and the Office of Military Support shall actively*
19 *solicit and accept funds from industry, foundations, or other*
20 *sources to promote and fund research and development of dual*
21 *technologies, to identify alternative applications of military*
22 *technologies, to initiate market research for identifying possible*
23 *defense conversion products, to establish worker and business*
24 *training programs, and to operate pilot projects to evaluate and*
25 *demonstrate useful approaches. These efforts should be*
26 *coordinated with the regional technology alliances.*

27 *(f) Any private funds the council or the Office of Military*
28 *Support accepts shall be deposited into the Military Support*
29 *Account, which is hereby established in the Special Deposit Fund*
30 *in the State Treasury and, notwithstanding Section 13340, is*
31 *continuously appropriated to the Office of Military Support. The*
32 *Office of Military Support may, upon the approval of the Secretary*
33 *of the Business, Transportation, and Housing Agency, expend*
34 *moneys in the account, without regard to fiscal years, for the*
35 *purposes specified in subdivisions (d) and (e) and for no other*
36 *purpose. Records of funds received and expenditures made*
37 *pursuant to this section shall be subject to public disclosure. A*
38 *report describing the receipt and expenditure of these funds shall*
39 *be annually submitted to the Department of Finance by June 30 of*
40 *every year.*

1 13998.7. In addition to the duties specified in Section
2 13998.5, the council shall do all of the following:

3 (a) At the request of a council member and upon majority vote
4 of the council, the council may review actions or programs by state
5 agencies that may affect military base retention and reuse and offer
6 comments or suggest changes to better integrate these actions or
7 programs into the overall state strategic plan required pursuant to
8 subdivision (a) of Section 13998.5.

9 (b) The council shall prepare a study considering strategies for
10 the long-term protection of lands adjacent to military bases from
11 development that would be incompatible with the continuing
12 missions of those bases. The study shall include the effects of local
13 land use encroachment, environmental impact considerations, and
14 population growth issues. The study shall recommend basic
15 criteria to assist local governments in identifying lands where
16 incompatible development may adversely impact the long-term
17 missions of these bases. The study shall also identify potential
18 mechanisms, including recommendations for changes in law at the
19 local or state level, to address these issues. In conducting this
20 study, the council may use the Naval Air Station at Lemoore and
21 Edwards Air Force Base as case studies.

22 The council shall hold public hearings on this study, including
23 at least one in the vicinity of either Lemoore or Edwards.
24 Notwithstanding Section 7550.5 of the Government Code, the
25 council shall prepare and submit to the Governor and the
26 Legislature by November 30, 2000, a report on this study with any
27 recommendations.

28 13998.8. The Business, Transportation and Housing Agency
29 with input and assistance from the council, shall establish a
30 Defense Retention Grant Program to grant funds to communities
31 with military bases to assist them in developing a retention
32 strategy. The agency may use grant criteria similar to those for
33 existing defense conversion grant programs as a basis for
34 developing the new grant program. To discourage multiple grant
35 applications for individual defense installations in a region, the
36 criteria shall be drafted to encourage a single application for
37 grant funds to develop, where appropriate, a single, regional
38 defense retention strategy. The structure, requirements,
39 administration, and funding procedures of the grant program shall
40 be submitted to the Legislature for review at least 90 days prior to

1 making the first grant disbursement. The agency may make no
2 grant award without the local community providing at least 50
3 percent or more in matching funds or in-kind services.

4 13998.9. The Business, Transportation and Housing Agency
5 shall adopt regulations to implement the programs authorized in
6 this chapter. The agency shall adopt these regulations as
7 emergency regulations in accordance with Chapter 3.5
8 (commencing with Section 11340) of Part 1 of Division 3 of Title
9 2 of the Government Code, and for purposes of that chapter,
10 including Section 11349.6 of the Government Code, the adoption
11 of the regulations shall be considered by the Office of
12 Administrative Law to be necessary for the immediate
13 preservation of the public peace, health and safety, and general
14 welfare. Notwithstanding subdivision (e) of Section 11346.1 of the
15 Government Code, the regulations shall be repealed within 180
16 days after their effective date, unless the agency complies with
17 Chapter 3.5 (commencing with Section 11340) of Part 1 of
18 Division 3 of Title 2 of the Government Code as provided in
19 subdivision (e) of Section 11346.1 of the Government Code.

20 35998.5. This chapter shall remain in effect only until
21 January 1, 2007, and as of that date is repealed, unless a later
22 enacted statute, that is enacted before January 1, 2007, deletes or
23 extends that date.

24 SEC. 2. Part 14 (commencing with Section 37980) of Division
25 24 of the Health and Safety Code is repealed.

26 SEC. 3. Paragraph 4.5 of Item 2240-001-0001 of Section 2.00
27 of the Budget Act of 2004 (Chapter 157 of the Statutes of 2003) is
28 hereby revised so that the sum of one hundred eighty thousand
29 dollars (\$180,000) designated for military base reuse and
30 retention is not appropriated to the Department of Housing and
31 Community Development, but this amount is instead appropriated
32 from the General Fund to the Business, Transportation and
33 Housing Agency for this purpose.

34 SEC. 4. The Business, Transportation and Housing Agency is
35 authorized to enter into an interagency agreement with any other
36 state agency as deemed necessary to administer the programs set
37 forth in Section 1.

38 ~~amended to read:~~

39 ~~15325. The work of the agency shall be divided into at least~~
40 ~~the following:~~

- 1 ~~(a) The Office of Economic Research.~~
2 ~~(b) The Office of Local Development.~~
3 ~~(c) The Office of Business Development.~~
4 ~~(d) The Office of Tourism.~~
5 ~~(e) The Office of Small Business.~~
6 ~~(f) The Film Office.~~
7 ~~(g) The Office of Marketing and Communications.~~
8 ~~(h) The Office of Strategic Technology.~~
9 ~~(i) The International Trade and Investment Division, including~~
10 ~~all of the following:~~
11 ~~(1) The Office of Foreign Investment.~~
12 ~~(2) The Office of Export Development.~~
13 ~~(3) The Office of California-Mexico Affairs.~~
14 ~~(4) The Office of Trade Policy and Research.~~
15 ~~(5) The California State World Trade Commission.~~
16 ~~(6) The international trade and investment offices.~~
17 ~~(7) The Export Finance Office.~~
18 ~~(j) California Field Offices.~~
19 ~~(k) The Office of Trade Policy and Research.~~
20 ~~(l) The Office of Permit Assistance.~~
21 ~~(m) The Office of Military Support.~~
22 ~~(n) The Division of Science, Technology, and Innovation.~~

23 SEC. 2. ~~Section 15329 of the Government Code is amended~~
24 ~~to read:~~

25 ~~15329. (a) There is hereby established within the~~
26 ~~Technology, Trade, and Commerce Agency the Division of~~
27 ~~Science, Technology, and Innovation. The Division of Science,~~
28 ~~Technology, and Innovation shall be under the supervision of a~~
29 ~~Deputy Secretary of Science, Technology, and Innovation who~~
30 ~~shall be appointed by, and serve at the pleasure of, the Governor.~~

31 ~~(b) The deputy secretary's duties shall include, but not be~~
32 ~~limited to, all of the following:~~

33 ~~(1) Oversight of the Division of Science, Technology, and~~
34 ~~Innovation.~~

35 ~~(2) Responsibility for identifying science and technology~~
36 ~~trends, including, but not limited to, information technology,~~
37 ~~telecommunications, and e-commerce, that are significant to the~~
38 ~~state, particularly for small businesses, and, in consultation with~~
39 ~~the Small Business Competitiveness Council, developing a state~~

1 ~~strategy to address them. This shall be coordinated with the~~
2 ~~California Economic Strategy Panel.~~

3 ~~(3) Working closely with industry, academia, and government~~
4 ~~to encourage technology research, development, transfer, and~~
5 ~~applications to particularly meet the needs of small businesses.~~

6 ~~(4) Working closely with the federal government to maximize~~
7 ~~participation of state industries, small businesses, national~~
8 ~~laboratories, and universities in technology research, and in~~
9 ~~obtaining research and development funding.~~

10 ~~(5) Working closely with private foundations to maximize~~
11 ~~participation of state industries, small businesses, national~~
12 ~~laboratories, and universities, including the University of~~
13 ~~California, the California State University, and private~~
14 ~~universities, in technology research and engineering, and in~~
15 ~~obtaining research and development funding.~~

16 ~~(6) In consultation with the California Research and Funding~~
17 ~~Council, evaluating proposals for, and making recommendations~~
18 ~~on, the coordination, consolidation, or relocation of research and~~
19 ~~development programs throughout state government.~~

20 ~~(7) Developing plans and implementing programs for~~
21 ~~improving access to early stage capital investment, particularly~~
22 ~~for technology-based small businesses in the state.~~

23 ~~(8) Coordinating state science and technology policies and~~
24 ~~programs.~~

25 ~~(9) Participating in the development and management of the~~
26 ~~Small Business Development Center program.~~

27 ~~(10) Developing and administering grant and matching grant~~
28 ~~programs that provide funding to appropriate public and private~~
29 ~~entities for increased access to digital technology for all citizens~~
30 ~~of the state.~~

31 ~~(e) Notwithstanding any other provision of law, the Division of~~
32 ~~Science, Technology, and Innovation shall administer all~~
33 ~~programs established pursuant to Section 15333.2, the Office of~~
34 ~~Strategic Technology established pursuant to Section 15333.5, the~~
35 ~~Competitive Technology Advisory Committee established~~
36 ~~pursuant to former Section 15333.6, the California Research and~~
37 ~~Funding Council established pursuant to Section 15333.10, the~~
38 ~~Small Business Competitiveness Council established pursuant to~~
39 ~~Section 15333.11, the space enterprise development program, the~~
40 ~~California Spaceport Authority, and the California Space~~

~~Enterprise Competitive Grant Program established pursuant to Article 3.9 (commencing with Section 15348), the Regional Technology Alliances established pursuant to Section 15379.2, the Challenge Grant Program established pursuant to Section 15379.3, the Technology Planning Program established pursuant to Section 15379.14, and the Manufacturing Technology Program established pursuant to Section 15379.15.~~

~~(d) For purposes of this section, the following definitions shall apply:~~

~~(1) "Information technology" includes, but is not limited to, all electronic technology systems and services, automated information handling, system design and analysis, conversion of data, computer programming, information storage and retrieval, telecommunications that include voice, video, and data communications, requisite system controls, simulation, electronic commerce, and all related interactions between people and machines.~~

~~(2) "Technology" includes, but is not limited to, the application of science and engineering to research and development, especially for industrial or commercial objectives, in sectors that include telecommunications, information technologies, electronics, biochemistry, medicine, agriculture, transportation, space, and aerospace.~~

~~SEC. 3. Section 15333.6 of the Government Code is amended and renumbered to read:~~

~~15348.2. (a) Subject to the availability of funds appropriated for that purpose, the Technology, Trade, and Commerce Agency shall implement a space enterprise development program to foster activities that increase the competitiveness of space enterprise in California, including, but not limited to, the commercial use of space, space vehicle launches, space launch infrastructure, manufacturing, applied research, technology development, economic diversification, and business development.~~

~~(b) The agency may contract with other state or private agencies, nonprofit corporations, universities, firms, or individuals for the performance of technical or specialized work, or for services related to space enterprise development programs.~~

~~(c) The Secretary of the Technology, Trade, and Commerce Agency shall select a California nonprofit corporation to assist the agency in its administration of space enterprise economic~~

~~development activities through programs, projects, grants, partnerships, networks, and collaboration. The corporation shall be selected through a solicitation process established by the agency. The solicitation process shall include criteria for selection of the corporation, which shall include, but not be limited to, demonstrated experience in space enterprise and the ability to perform space enterprise development activities described in subdivision (d).~~

~~(d) The corporation may perform one or more of the following activities, as determined contractually between the agency and the corporation:~~

~~(1) Serve as the California Spaceport Authority with responsibilities specified in Section 15348.5.~~

~~(2) Pursue grants from the federal government or from private businesses, foundations, or individuals, for California space enterprise activities, including, but not limited to, studies, services, infrastructure improvements and modernization, and defense transition programs, to the extent permitted by law.~~

~~(3) Identify science and technology trends that are significant to space enterprise and the state and act as a clearinghouse for space enterprise issues and information.~~

~~(4) Develop and implement a state strategy for applying and commercializing technology to create jobs, respond to industry changes, and foster innovation and competitiveness in space enterprise.~~

~~(5) Provide information to the secretary relevant to changes in federal, state, and local statutes and regulations that will enhance the development of space enterprise in this state.~~

~~(6) Provide information to the secretary, regarding the development of laws, regulations, decisions, or determinations affecting the economic and employment impacts of space enterprise in this state.~~

~~(7) Provide recommendations to the secretary for appropriate state funding mechanisms and amounts to promote development of space enterprise in this state, including education and workforce development.~~

~~(8) Provide recommendations to the secretary in the form of strategic planning documents.~~

~~(9) Review applications for, and promote, the California Space Enterprise Competitive Grant Program established by Section 15348.3.~~

~~(e) (1) The agency and the corporation shall enter into an annual contract specifying the activities to be performed by the corporation.~~

~~(2) Pursuant to the contract, the corporation shall submit to the agency quarterly reports of its activities and finances. The quarterly reports shall be of sufficient detail for the agency to determine whether the corporation is in compliance with the annual contract between the agency and the corporation.~~

~~(3) The annual contract shall include conflict of interest requirements developed by the agency.~~

~~(4) Failure of the corporation to comply with the conditions in the annual contract, as evidenced in the quarterly reports and any supplemental monitoring of the corporation by the agency, shall result in the cancellation of the annual contract and deselection of the corporation. Upon the deselection of the corporation, the agency shall utilize the solicitation process set forth in subdivision (c) to select a replacement corporation.~~

~~SEC. 4. Section 15333.7 of the Government Code is amended and renumbered to read:~~

~~15348.3. (a) The California Space Enterprise Competitive Grant Program is hereby established within the Technology, Trade, and Commerce Agency, to provide funding, upon appropriation by the Legislature, for the development of space enterprise in this state. For purposes of this section, space enterprise activities shall include, but are not limited to, the commercial use of space, space vehicle launches, space launch infrastructure, manufacturing, applied research, technology development, economic diversification, and business development. Entities conducting activities in California intended to improve the competitiveness of space enterprise in this state, including public, private, educational, commercial, nonprofit, or for-profit entities may apply for grants.~~

~~(b) (1) If program funding is appropriated by the Legislature, the corporation selected pursuant to subdivision (c) of Section 15348.2 shall, at least annually, issue solicitations. No solicitation shall be issued without the prior review and approval by the agency. If the corporation has not issued a solicitation within 180~~

1 ~~days of the appropriation of funds, the agency shall issue the~~
2 ~~solicitation.~~
3 ~~(2) Solicitations developed by the corporation shall include~~
4 ~~minimum eligibility and requirements. Additional requirements~~
5 ~~may be added to each year's grant solicitation. The solicitation~~
6 ~~shall address at least all of the following:~~
7 ~~(A) Jobs created and retained by the implementation of the~~
8 ~~project.~~
9 ~~(B) Cost sharing by other project participants, which should~~
10 ~~include at least one of the following:~~
11 ~~(i) A private sector company or companies.~~
12 ~~(ii) One or more foundations, industry associations, or~~
13 ~~nonprofit cooperative associations, or any combination thereof.~~
14 ~~(iii) In-kind support, which may include staff and facilities.~~
15 ~~(iv) Federal or local government funding.~~
16 ~~(C) A condition that grant funds will not be used to supplant~~
17 ~~other project funds.~~
18 ~~(D) A demonstration that a majority of the project will be~~
19 ~~undertaken in California.~~
20 ~~(E) An agreement among all project participants as to~~
21 ~~intellectual property rights relative to the project.~~
22 ~~(F) The potential impact on the state's economy.~~
23 ~~(G) The cost effectiveness of the project.~~
24 ~~(H) The importance of state funding for the viability of the~~
25 ~~project.~~
26 ~~(I) A demonstration of technical feasibility and an assessment~~
27 ~~of programmatic risk.~~
28 ~~(c) In evaluating grant proposals, the corporation shall~~
29 ~~establish an impartial review panel composed of technical and~~
30 ~~scientific experts and government representatives to review grant~~
31 ~~applications. The panel shall be composed of members from~~
32 ~~throughout the state who are knowledgeable about activities~~
33 ~~related to space enterprise. No more than 30 percent of the panel~~
34 ~~members shall be government representatives, and all other~~
35 ~~members shall either be actively involved in, or be technical and~~
36 ~~scientific experts in activities related to, space enterprise. No more~~
37 ~~than 30 percent of the panel members shall be members of, or on~~
38 ~~the board of directors of, the corporation.~~
39 ~~(d) (1) The review panel shall review all applications received~~
40 ~~by the deadline specified in the solicitation in order to determine~~

1 the applications that are complete and that meet the criteria set
2 forth in the solicitation. The review panel may rely on experts who
3 are not part of the panel in order to determine compliance with one
4 or more criteria.

5 (2) All applications meeting the criteria set forth in paragraph
6 (1) shall be submitted to the agency.

7 (3) The agency may remove one or more applications from
8 those submitted by the review panel upon a determination that the
9 application did not meet the criteria set forth in paragraph (1). The
10 agency shall rank the grant applications received from the review
11 panel, minus any applications removed by the agency because of
12 failure to meet the criteria. The ranking shall be based upon criteria
13 stated in the solicitation. The ranking shall include
14 recommendations as to the amount of state funding for each grant
15 application.

16 (e) The secretary shall award program grants based upon the
17 criteria set forth in paragraph (1) of subdivision (d) and
18 recommendations of the committee established in Section
19 15348.8.

20 (f) The funding determination shall be transmitted to the
21 Governor and the chairpersons of the Senate and Assembly fiscal
22 committees and shall be subject to the availability of funds
23 appropriated for that purpose.

24 (g) The solicitation process set forth in this section shall not be
25 subject to Chapter 3.5 (commencing with Section 11340) of Part
26 4.

27 (h) The Legislature hereby finds and declares that the granting
28 of funds to private entities serves a public purpose by assisting an
29 industry vital to the health and welfare of the State of California.

30 SEC. 5. Section 15333.8 of the Government Code is amended
31 and renumbered to read:

32 15348.8. (a) The California Space Industry Enterprise
33 Advisory Committee is hereby established in the Technology,
34 Trade, and Commerce Agency. The committee shall consist of
35 nine members. The Speaker of the Assembly and the Senate
36 Committee on Rules shall each appoint two members. The
37 Governor shall appoint the remaining members of the committee
38 upon nomination by the Secretary of the Technology, Trade, and
39 Commerce Agency, and shall appoint one member as chair. All
40 members of the committee shall be California residents. One third

~~1 of the members shall be residents of northern California, one-third
2 of the members shall be residents of southern California, and
3 one-third of the members shall be residents of central California.
4 A majority of the members of the committee shall be from space
5 enterprise in this state. The committee may include representatives
6 from labor, local government, and special districts, public and
7 private institutions of higher learning, and federal laboratories
8 located in the State of California. One of the initial appointments
9 by the Speaker of the Assembly, one by the Senate Committee on
10 Rules, and two by the Governor shall be for a term of two years.
11 The remaining initial appointments, and all subsequent
12 appointments, shall be for a term of four years.~~

~~13 (b) Each committee member shall serve without compensation
14 but may be reimbursed for actual and necessary travel and
15 telecommunication expenses incurred when attending committee
16 meetings.~~

~~17 (c) The committee shall advise the agency regarding both of the
18 following:~~

~~19 (1) Provide input, evaluation, program funding
20 recommendations, and other recommendations on the California
21 Space Enterprise Competitive Grant Program established by
22 Section 15348.3.~~

~~23 (2) Provide recommendations on space enterprise issues, as
24 requested by the secretary.~~

~~25 (d) Staff for the committee shall be supplied by the agency, and
26 records of the committee shall be maintained by the agency.~~

~~27 (e) The committee shall be subject to the Bagley-Keene Open
28 Meeting Act (Article 9 (commencing with Section 11120) of
29 Chapter 1 of Part 1 of Division 3 of Title 2). However, the
30 Legislature finds and declares that it is important that committee
31 members are active in space enterprise, and it is expected that
32 several of the committee members may also be members of other
33 organizations.~~

~~34 (f) This section shall only be implemented to the extent funds
35 are appropriated for that purpose.~~

~~36 SEC. 6. Section 15346.4 of the Government Code is amended
37 to read:~~

~~38 15346.4. (a) The Secretary of Trade and Commerce shall
39 serve as chairperson of the council.~~

1 ~~(b) The Office of Military Support shall provide staff support~~
2 ~~to the council.~~

3 ~~(c) It shall be the purpose of the council to provide a central~~
4 ~~clearinghouse for all defense retention, conversion, and base reuse~~
5 ~~activities in the state.~~

6 SEC. 7.— ~~Section 15346.8 of the Government Code is amended~~
7 ~~to read:~~

8 ~~15346.8.—(a) The council shall meet at the times and in places~~
9 ~~it deems necessary, but no less than once a quarter. Whenever~~
10 ~~possible, meetings shall be held in Sacramento in state facilities.~~

11 ~~(b) Under no circumstances shall the council permit absentee~~
12 ~~or proxy voting at any of its proceedings. However, a vote by a~~
13 ~~designee, as provided in paragraphs (1) to (8), inclusive, of~~
14 ~~subdivision (a), and paragraphs (1) to (5), inclusive, of subdivision~~
15 ~~(d), of Section 15346.3, shall not be construed to be an absentee~~
16 ~~or proxy vote under this subdivision.~~

17 ~~(c) Council members may receive reimbursement for travel~~
18 ~~costs directly related to council attendance if funding is available.~~

19 ~~(d) The Office of Military Support shall apply for grants and~~
20 ~~may seek contributions from private industry to fund the~~
21 ~~operations of the office and the council.~~

22 ~~(e) The Office of Military Support shall actively solicit and~~
23 ~~accept funds from industry, foundations, or other sources to~~
24 ~~promote and fund research and development of dual technologies;~~
25 ~~to identify alternative applications of military technologies, to~~
26 ~~initiate market research for identifying possible defense~~
27 ~~conversion products, to establish worker and business training~~
28 ~~programs, and to operate pilot projects to evaluate and~~
29 ~~demonstrate useful approaches. These efforts should be~~
30 ~~coordinated with the regional technology alliances.~~

31 ~~(f) Any private funds the office accepts shall be deposited into~~
32 ~~the Military Support Account, which is hereby established in the~~
33 ~~Special Deposit Fund in the State Treasury. The office may expend~~
34 ~~moneys in the account, without regard to fiscal years, for the~~
35 ~~purposes specified in subdivisions (d) and (e) and for no other~~
36 ~~purpose. Records of funds received and expenditures made~~
37 ~~pursuant to this section shall be subject to public disclosure.~~

38 SEC. 8.— ~~The heading of Article 3.9 (commencing with~~
39 ~~Section 15348) of Chapter 1 of Part 6.7 of Division 3 of Title 2 of~~
40 ~~the Government Code is amended to read:~~

~~Article 3.9.—Space Enterprise Development~~

~~SEC. 9.—Section 65040.9 of the Government Code is amended to read:~~

~~65040.9. (a) On or before January 1, 2004, the Office of Planning and Research shall, if sufficient federal funds become available for this purpose, prepare and publish an advisory planning handbook for use by local officials, planners, and builders that explains how to reduce land use conflicts between the effects of civilian development and military readiness activities carried out on military installations, military operating areas, military training areas, military training routes, and military airspace, and other territory adjacent to those installations and areas.~~

~~(b) At a minimum, the advisory planning handbook shall include advice regarding all of the following:~~

~~(1) The collection and preparation of data and analysis.~~

~~(2) The preparation and adoption of goals, policies, and standards.~~

~~(3) The adoption and monitoring of feasible implementation measures.~~

~~(4) Methods to resolve conflicts between civilian and military land uses and activities.~~

~~(5) Recommendations for cities and counties to provide drafts of general plan and zoning changes that may directly impact military facilities, and opportunities to consult with the military base personnel prior to approving development adjacent to military facilities.~~

~~(c) In preparing the advisory planning handbook, the office shall collaborate with the Office of Military Support within the Trade, Technology, and Commerce Agency. The office shall consult with persons and organizations with knowledge and experience in land use issues affecting military installations and activities.~~

~~(d) The office may accept and expend any grants and gifts from any source, public or private, for the purposes of this section.~~

~~SEC. 10.—~~

~~SEC. 5. This act is an urgency statute necessary for the immediate preservation of the public peace, health, or safety~~

1 within the meaning of Article IV of the Constitution and shall go
2 into immediate effect. The facts constituting the necessity are:

3 In order to enable the Office of Military Support to accept
4 private funds at the earliest possible date, it is necessary that this
5 act take effect immediately.

O

